

UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549  
Form 11-K



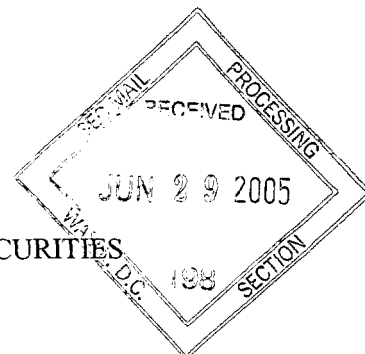
☒ ANNUAL REPORT PURSUANT TO SECTION 15 (d) OF THE SECURITIES EXCHANGE  
ACT OF 1934

For the fiscal year ended December 31, 2004

OR

☐ TRANSITION REPORT PURSUANT TO SECTION 15 (d) OF THE SECURITIES  
EXCHANGE ACT OF 1934

For the transition period from \_\_\_\_\_ to \_\_\_\_\_



Commission File Number 1-11037

A. Full title of the Plan and the address of the Plan, if different from that of the issuer named below:

**The Savings Program for Employees of Praxair Puerto Rico B.V. and  
Its Participating Subsidiary Companies**

P.O. Box 307  
Gurabo, Puerto Rico 00778

B. Name of issuer of the securities held pursuant to the Plan and the address of its principal  
executive office:

**Praxair, Inc.  
39 Old Ridgebury Road  
Danbury, Connecticut 06810-5113**

This report consists of 13 pages.

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FINANCIAL

# **The Savings Program for Employees of Praxair Puerto Rico B.V. and Its Participating Subsidiary Companies**

**Financial Statements and  
Supplemental Schedule  
December 31, 2004 and 2003**

# **The Savings Program for Employees of Praxair Puerto Rico B.V. and Its Participating Subsidiary Companies**

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All other schedules required by Section 2520.103-10 of the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974 have been omitted because they are not applicable.	

**Report of Independent Registered Public Accounting Firm**

To the Participants and Administrator of  
The Savings Program for Employees of Praxair Puerto Rico B.V. and Its Participating  
Subsidiary Companies

In our opinion, the accompanying statements of net assets available for benefits and the related statements of changes in net assets available for benefits present fairly, in all material respects, the net assets available for benefits of The Savings Program for Employees of Praxair Puerto Rico B.V. and Its Participating Subsidiary Companies (the "Plan") at December 31, 2004 and December 31, 2003, and the changes in net assets available for benefits for the year ended December 31, 2004 in conformity with accounting principles generally accepted in the United States of America. These financial statements are the responsibility of the Plan's management. Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits of these statements in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

Our audits were conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The supplemental Schedule H, line 4i - Schedule of Assets (Held at End of Year) is presented for the purpose of additional analysis and is not a required part of the basic financial statements but is supplementary information required by the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974. This supplemental schedule is the responsibility of the Plan's management. The supplemental schedule has been subjected to the auditing procedures applied in the audits of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

*PricewaterhouseCoopers LLP*

Stamford, CT  
June 22, 2005

**The Savings Program for Employees of Praxair Puerto Rico B.V. and Its  
Participating Subsidiary Companies  
Statements of Net Assets Available for Benefits  
At December 31, 2004 and 2003**

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<b>Assets</b>	<b>2004</b>	<b>2003</b>
Investments, at fair value (Note 4):		
Participant directed	\$ 1,880,936	\$ 1,641,358
Nonparticipant directed	1,025,706	948,724
Participant loans, at cost	<u>176,366</u>	<u>169,794</u>
	<u>3,083,008</u>	<u>2,759,876</u>
Receivables		
Employer contributions receivable	23,869	23,317
Employee contributions receivable	2,995	-
Dividend receivable	<u>938</u>	<u>797</u>
Total receivables	<u>27,802</u>	<u>24,114</u>
<b>Net assets available for benefits</b>	<b>\$ <u>3,110,810</u></b>	<b>\$ <u>2,783,990</u></b>

The accompanying notes are an integral part of these financial statements.

**The Savings Program for Employees of Praxair Puerto Rico B.V. and Its  
Participating Subsidiary Companies  
Statement of Changes In Net Assets Available for Benefits  
For the Year Ended December 31, 2004**

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<b>Additions to net assets</b>	
Contributions	
Participant	\$ 188,167
Employer	103,153
	<u>291,320</u>
Investment income	
Dividends	43,839
Interest	10,911
	<u>54,750</u>
Net appreciation in fair value of investments (Note 4)	334,168
<b>Total additions to net assets</b>	<u>680,238</u>
<b>Deductions from net assets</b>	
Benefit payments	<u>353,418</u>
<b>Total deductions from net assets</b>	<u>353,418</u>
<b>Increase in net assets</b>	326,820
<b>Net assets available for benefits</b>	
Beginning of year	<u>2,783,990</u>
End of year	<u>\$ 3,110,810</u>

The accompanying notes are an integral part of these financial statements.

**The Savings Program for Employees of Praxair Puerto Rico B.V. and Its Participating Subsidiary Companies**  
**Notes to the Financial Statements**  
**December 31, 2004 and 2003**

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**Note 1 - Inception of the Plan**

The Savings Program for Employees of Praxair Puerto Rico B.V. and Its Participating Subsidiary Companies (the "Plan") was established on March 1, 1995. At that time, Praxair Puerto Rico B.V. executed an agreement with Banco Popular de Puerto Rico ("Banco Popular") to adopt the Banco Popular de Puerto Rico Master Defined Contribution Retirement Plan.

**Note 2 - Description of the Plan**

The Plan is a tax-qualified retirement plan. The following is a general description of the Plan. Participants should refer to the Plan document for a complete description of the Plan's provisions. The following information may not apply to employees covered under bargaining unit agreements.

**General**

The Plan is a defined contribution plan and is administered by Praxair Puerto Rico B.V. Administrative Committee (the "Administrator"). The Trustee and recordkeeper of the Plan's assets is Banco Popular. The Plan is subject to the provisions of the Employee Retirement Income Security Act of 1974 ("ERISA").

**Eligibility**

All employees employed on the effective date of March 1, 1995 were automatically eligible to participate in the Plan. An employee hired after that date must meet certain requirements.

An employee of Praxair Puerto Rico B.V. is eligible to participate in the Plan if he or she is a minimum of 18 years of age and has completed 90 days of service.

**Contributions**

Participant's contributions to the Plan are made through payroll deductions. Plan participants generally may elect to contribute up to 10% of their compensation on either a before-tax or after-tax basis. Participant's before-tax contributions are limited, however, to the lesser of 10% of their compensation or an annual statutory amount, which amounted to \$8,000 in 2004 and 2003.

Praxair Puerto Rico B.V.'s matching contributions are made to participants' accounts, in the form of Praxair common stock, in an amount equal to 70% of the first 2.5% of participants' compensation contributed to the Plan and 40% of the next 5% of participants' compensation contributed to the Plan.

**Vesting**

Employees are at all times fully vested in their own contributions, company contributions, and rollover contributions. In the event of termination of employment from Praxair Puerto Rico B.V., Plan participants receive all amounts credited to their accounts.

**The Savings Program for Employees of Praxair Puerto Rico B.V. and Its Participating Subsidiary Companies**  
**Notes to the Financial Statements**  
**December 31, 2004 and 2003**

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**Investment Options**

Each participant directs the investment of his or her funds among the following options:

- Federated Investor Max-Cap Fund
- Fidelity Equity Income II Fund
- PIMCO Total Return Admin
- Federated Government Obligations
- Praxair, Inc. Common Stock Fund\*
- Banco Popular Puerto Rico Time Deposit\*
- Harbor Capital Appreciation-Return (*included effective January 1, 2004*)
- State Street Research Aurora Equity Fund (*included effective January 1, 2004*)

\* Party-in-interest

Participants may change the amount or the investment direction of their contributions at any time.

**Withdrawals and Distributions**

Plan participants may withdraw after-tax contributions from their account balances while working and, in limited cases (as defined in the Plan's provisions), may withdraw before-tax contributions. Generally, more than one withdrawal from the Plan in any twelve-month period results in the suspension of Praxair matching contributions for various periods (as defined in the Plan's provisions). Mandatory distributions from the Plan are required starting April 1 of the year following that in which a participant attains age 70 1/2.

**Loans**

The Plan generally permits participants to borrow from their accounts up to the lesser of \$50,000 or 50% of their account balances. Certain other restrictions apply, as defined in the Plan's provisions. Participants are permitted to have only one loan outstanding at any time.

Loans may be repaid during fixed terms not to exceed five years (longer for loans used to purchase a primary residence). Principal and interest is paid ratably through payroll deductions. Interest rates on loans were set at a market rate of 9% for 2004 and 2003 with future rates determined by the market.

**Unclaimed Benefits and Forfeitures**

The benefit payable on behalf of a participant who cannot be located by the Administrator is forfeited at a time determined by the Administrator. However, the forfeiture will be restored to the Plan by the Administrator if such participant subsequently makes a valid claim for the benefit.

**Note 3 - Summary of Significant Accounting Policies**

**Method of Accounting**

The financial statements of the Plan are prepared under the accrual method of accounting.

**Payment of Benefits**

Benefits are recorded when paid.



**The Savings Program for Employees of Praxair Puerto Rico B.V. and Its  
Participating Subsidiary Companies  
Notes to the Financial Statements  
December 31, 2004 and 2003**

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**Participant's Account Activity**

Participant's accounts are credited with participant contributions, contributions from Praxair Puerto Rico B.V. and an allocation of Plan earnings, based on participants' account balances, and charged for withdrawals.

**Basis of Reporting Investments**

Plan investments are reported at market value, based upon quoted market prices, except for loans to participants carried at cost which approximates fair value.

**Income Recognition**

Purchases and sales of securities are recorded on a trade-date basis. Interest income is recorded on the accrual basis. Dividends are recorded on the ex-dividend date.

The Plan presents in the statement of changes in net assets available for benefits, the net appreciation (depreciation) in the fair value of its investments, which consists of the realized gains or losses and the unrealized appreciation (depreciation) on those investments.

**Use of Estimates**

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amount of revenues and expenses during the reporting period. Actual results could differ from those estimates, of which the most significant is the fair value of investments.

**Risks and Uncertainties**

The Plan provides for various investment options that invest in any combination of stocks, bonds, fixed income securities and other investment securities. These investment securities are exposed to various risks, such as interest rate, market and credit risks. Due to the level of risk and uncertainty associated with certain investment securities, it is at least reasonably possible that changes in the values of investment securities will occur in the near term and that such changes could materially affect participants' account balances and the amounts reported in the statement of net assets available for benefits and the statement of changes in net assets available for benefits.

**The Savings Program for Employees of Praxair Puerto Rico B.V. and Its  
Participating Subsidiary Companies  
Notes to the Financial Statements  
December 31, 2004 and 2003**

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**Note 4 – Investments**

Individual investments held by the Plan that exceed five percent of the Plan's net assets available for benefits at December 31, 2004 and 2003, respectively, are noted below:

	<b>2004</b>	<b>2003</b>
Praxair, Inc. Common Stock Fund	\$ 1,876,772	\$ 1,807,318
Fidelity Equity Income II Fund	\$ 327,900	\$ 338,818
Federated Investor Max-Cap Fund	\$ 240,051	\$ 231,666
Pimco Fds Pac Investment Management Service	\$ 212,983	\$ 195,021
Banco Popular Puerto Rico Time Deposit	\$ 201,870	*
Participants' Loans	\$ 176,366	\$ 169,794

\* Not applicable

During 2004, the Plan's investments (including gains and losses on investments bought and sold, as well as held during the year) appreciated in value as follows:

	<b>Year ended December 31, 2004</b>
Praxair, Inc. Common Stock Fund	\$155,408
Praxair, Inc. Common Stock Fund (employer match)	127,371
Mutual Funds	45,850
U.S. Government Securities	<u>5,539</u>
	<u><b>\$334,168</b></u>

**The Savings Program for Employees of Praxair Puerto Rico B.V. and Its Participating Subsidiary Companies**  
**Notes to the Financial Statements**  
**December 31, 2004 and 2003**

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**Note 5 - Non-Participant Directed Investments**

Information about the net assets and the significant components of the changes in net assets relating to the non-participant directed investments is as follows:

	<b>December 31,</b>	
	<b>2004</b>	<b>2003</b>
Net Assets:		
Praxair, Inc. Common Stock Fund (employer match)	\$ 1,025,706	\$ 948,724
	<b>Year Ended</b>	
	<b>December 31, 2004</b>	
Changes in net assets		
Contributions	\$ 127,371	
Net appreciation	144,459	
Benefits paid to participants	<u>(194,848)</u>	
	<u>\$ 76,982</u>	

**Note 6 - Tax Status**

The Plan is intended to qualify under sections 165(a), (e), and (g) of the Puerto Rico Income Tax Act of 1954 and to comply with all applicable requirements of both Title I of the Employee Retirement Income Security Act of 1974 and the Puerto Rico Income Tax Act of 1954. The Plan administrator and the Plan's tax counsel believe that the Plan is designed and is currently being operated in compliance with such requirements.

**Note 7 - Plan Expenses**

Transfer taxes and other costs and expenses, if any, except administrative costs of Praxair, Inc. associated with the sale and transfer of Praxair, Inc. common stock, are deducted from the sale proceeds or charged to the participant account (for purchases). For the years ended December 31, 2004 and 2003, Praxair Puerto Rico B.V. paid all costs of Plan administration and expenses of collecting and distributing amounts from and to the participants.

**Note 8 - Plan Termination**

Although it has not expressed any intent to do so, Praxair Puerto Rico B.V. has the right under the Plan's provisions to terminate the Plan at its sole discretion. Upon such termination, the net assets of the Plan will be distributed or sold exclusively for the benefit of the participants (or their beneficiaries).

**The Savings Program for Employees of Praxair Puerto Rico B.V. and Its Participating Subsidiary Companies**  
**Schedule H, line 4i – Schedule of Assets**  
**(Held at End of Year)**

(a) similar party (b) Identity of issue, borrower, lessor or	(c) description of investment including maturity date, rate of interest, collateral, par or maturity value	(d) Cost	(e) Current Value
* Banco Popular	Praxair, Inc. Common Stock Fund Fidelity Equity Income II Fund Federated Investor Max-Cap Fund PIMCO Total Return Admin Banco Popular Puerto Rico Time Deposit Federated Government Obligations Harbor Capital Appreciation Rtr State Street Research Aurora Equity Fund	\$ 1,061,581 313,701 210,015 215,100 201,870 40,665 4,008 2,029	\$ 1,876,772 327,900 240,051 212,983 201,870 40,665 4,340 2,061
* Various Participants	Participant Loans - 9%	<u>176,366</u>	<u>176,366</u>
		<u>\$ 2,225,335</u>	<u>\$ 3,083,008</u>
		Total assets held for investment purposes	

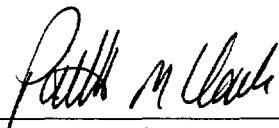
\* Party-in-interest

Signature

Pursuant to the requirements of the Securities Exchange Act of 1934, the Administrator of the Plan has duly caused this annual report to be signed on its behalf by the undersigned thereunto duly authorized.

**The Savings Program for Employees of Praxair Puerto Rico B.V. and Its Participating Subsidiary Companies**

Date: June 22, 2005

By:   
Patrick M. Clark  
Vice President and Controller  
Praxair, Inc.  
(On behalf of the Plan)

CONSENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

We hereby consent to the incorporation by reference in the Registration Statement on Form S-8 (Nos. 33-87274, 33-48478 and 333-81248) of Praxair, Inc. of our report dated June 22, 2005 relating to the financial statements of The Savings Program for Employees of Praxair Puerto Rico B.V. and Its Participating Subsidiary Companies, which appears in this Form 11-K.

*Pricewaterhousecoopers LLP*

June 22, 2005